



Canadian Air Transport
Security Authority

Administration canadienne
de la sûreté du transport aérien

UNCLASSIFIED

Canadian Air Transport Security Authority (CATSA)

Summary of the
2019/20 Corporate Plan
2019/20 Operating Budget
2019/20 Capital Budget



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EXECUTIVE SUMMARY

As the federal authority responsible for screening at 89 designated airports across Canada, CATSA remains focused on its core mandate of civil aviation security screening. This vital responsibility continues to grow in both scale and complexity. Supported by approximately 8,000 screening officers engaged through third-party arrangements, CATSA expects to screen 71.3 million passengers in 2019/20.

This Corporate Plan sets out the mandate, mission, vision, strategic directions and key planned initiatives, reflecting CATSA's longstanding commitment to be a recognized global leader in civil aviation security screening.

CATSA continues to focus on key initiatives and innovations that will support and significantly advance achievement of strategic objectives in four principal areas:

- **SERVICE EXCELLENCE** — focused on security effectiveness, operational efficiency, optimal passenger experience, and sound asset management.
- **A HEALTHY WORKPLACE** — focused on work-life balance, an inclusive and diverse environment, a culture of recognition, and leadership.
- **EFFECTIVE PARTNERSHIPS** — focused on industry collaboration and community relations.
- **OPERATIONAL SUSTAINABILITY** — focused on the transfer of responsibilities to a new designated screening authority while maintaining seamless operations and securing adequate resources for wind up activities.

Recognizing that security effectiveness, national consistency and the efficient and respectful treatment of air passengers and non-passengers are of paramount importance, CATSA will be emphasizing the following key initiatives:

- Achieving **Wait Time Service Levels** at or above the current target where, on average, 85% of passengers wait 15 minutes or less to be screened at Class I airports on an annual basis (WTSL of 85/15)
- Deployment of **CATSA Plus** to additional checkpoints
- Continuation of the **Enhanced Non-Passenger Screening** program
- Completion of the 10-year **Hold Baggage Screening Recapitalization Program**
- On-going **life-cycle management** of CATSA's capital assets

CATSA's priority focus in 2019/20 will be on facilitating and supporting the transfer to a new designated security screening authority, as provided for in the *Security Screening Services Commercialization Act* detailed in the *Budget Implementation Act 2019*, while maintaining seamless operations.

OVERVIEW

Mandate

CATSA is an agent Crown corporation, funded by parliamentary appropriations. Operating under the direction of an arm's length Board of Directors and led by a Senior Management Committee, it is accountable to Parliament through the Minister of Transport.

Under provisions of the *Canadian Air Transport Security Authority Act (CATSA Act)*, and within the framework of the *Aeronautics Act*, CATSA is responsible for providing effective, efficient and consistent screening of persons who access aircraft or restricted airport areas and the property or baggage in their possession or control at designated airports across the country.

CATSA's *Mandate* is to prevent prohibited items from entering the civil air transportation system through the systematic application of four complementary security services:

- **Pre-Board Screening (PBS):** The screening of all passengers and their carry-on baggage and belongings prior to their entry to the secure area of an air terminal building.
- **Hold Baggage Screening (HBS):** The screening of all passengers' checked ("hold") baggage prior to being loaded onto an aircraft.
- **Non-Passenger Screening (NPS):** The random screening of non-passengers such as flight personnel, ground crew and service providers, and their belongings (including vehicles and their contents) entering restricted areas at the highest-risk airports.
- **Restricted Area Identity Card (RAIC):** The management of the system that uses iris and fingerprint biometric identifiers to allow authorized non-passengers access to the restricted areas of airports. The final authority that determines access to the restricted areas of an airport is the airport authority.

In addition to these core mandated activities, CATSA has an agreement with Transport Canada to conduct screening of cargo at smaller airports, to assist with the implementation of local security efforts through the use of existing CATSA resources, technology and procedures when possible.

As an agent Crown corporation and a member of the broader federal government, CATSA is committed to aligning its policies, programs and practices in ways that support the government's overall objectives and priorities. This is undertaken wherever it can be achieved without undermining or compromising CATSA's core security screening mandate.

Mission and Vision

CATSA's *Mission* is to protect the public by securing critical elements of the air transportation system.

CATSA's *Vision* is to be a recognized global leader in aviation security screening, achieved through:

- **Our Service:** We provide the best possible passenger experience and maintain the highest level of security while delivering value to Canadians with an optimal use of our resources.
- **Our People:** We are proactively engaged and committed to lead by example.
- **Our Partnerships:** We work in collaboration with our partners toward common goals and interests.

Key Partners

While CATSA is Canada's designated national civil aviation security screening authority, aviation security is a shared responsibility. CATSA works closely with air carriers, airport authorities, third-party screening contractors, and local law enforcement agencies. The organization also collaborates with other federal departments and agencies, most notably Transport Canada—which regulates civil aviation operations and related security requirements—and the Canada Border Services Agency, the Royal Canadian Mounted Police, and Canadian Security Intelligence Service.

CATSA also works closely with international partners, including the United States (U.S.) Transportation Security Administration (TSA); the International Civil Aviation Organization (ICAO); the European Civil Aviation Conference (ECAC); the International Air Transport Association (IATA), among others.

Legislative and Regulatory Framework

A number of legislative, regulatory and policy frameworks establish the foundation that CATSA uses to develop its Standard Operating Procedures (SOPs) and training programs to guide screening officers in the performance of their duties. Those directly applicable to CATSA are the *Aeronautics Act*; *CATSA Act*; *Canadian Aviation Security Regulations, 2012*; *Screening Security Measures*; and *Transportation Modernization Act*. Other legislation and Treasury Board of Canada directives of government-wide application are highlighted in Appendix H.

Change in Governance Model

In 2017/18, the Government of Canada launched a review of CATSA's governance model in an effort to achieve a more sustainable and predictable funding model. Since then, CATSA has worked closely with Transport Canada and other stakeholders to evaluate various governance options.

The *Budget Implementation Act 2019* introduced the *Security Screening Services Commercialization Act*, which provides for the establishment of a new designated screening authority, and the subsequent transfer of CATSA's assets and responsibilities to that authority. As part of CATSA's funding envelope, Budget 2019 provided resources to support Transport Canada and CATSA during the transfer to a new designated screening authority. During this transition period and until the government-targeted transfer date, CATSA's priority will be to continue to provide security screening services and support the seamless transfer of responsibilities, and any applicable equipment or other assets, to a new designated screening authority.

CATSA's current governance structure and related accountability mechanisms are detailed in Appendix B.

CATSA Annual Report

The *CATSA Annual Report 2019* was submitted to the Minister of Transport on June 28, 2019, and once tabled in Parliament, it will be made available publicly.

OPERATING ENVIRONMENT

Introduction

Each year, in order to successfully execute its ongoing mandate, and as part of its annual strategic planning process, CATSA analyzes its internal and external policy and operating environments, and identifies evolving and emerging issues, opportunities and challenges that it will address as a priority over the planning period.

Human Resources Management

CATSA's planned non-unionized workforce for 2019/20 includes 448 full-time equivalents (FTEs):

- **Executive Management** — 5 FTEs
- **Headquarters** — 291 FTEs
- **Regions** — 152 FTEs

The organization's 152 members of regional service delivery teams are deployed at all Class I airports in each of CATSA's four administrative regions, where they are responsible for the overall planning, delivery and oversight of screening operations.

CATSA's service delivery model for screening services entails the contracted engagement of third-party screening contractors to carry out screening at the 89 designated airports across Canada. The screening companies currently engaged in CATSA's administrative regions are as follows: East—*Securitas Transport Aviation Security Limited*; Central—*GardaWorld*; Prairies—*GardaWorld*; and Pacific—*G4S Secure Solutions (Canada) Ltd.*

Environmental Scan

The following Environmental Scan details key strengths, weaknesses, opportunities and challenges that CATSA is facing now and in the foreseeable future.

Summary of Key Strengths, Weaknesses, Opportunities and Challenges	
<p><i>Strengths</i></p> <ul style="list-style-type: none">• Highly qualified and dedicated employees• Organizational adaptability• A culture of innovation• A mature organization with proven leadership in security screening	<p><i>Weaknesses</i></p> <ul style="list-style-type: none">• Capacity to provide corporate support services• Inability to meet industry expectations in terms of wait time service levels
<p><i>Opportunities</i></p> <ul style="list-style-type: none">• New governance model and fiscal relationship• Advancements in screening technology	<p><i>Challenges</i></p> <ul style="list-style-type: none">• Transfer to a new designated screening authority while maintaining seamless operations and securing wind up funding• International influence over the domestic regulatory environment• Space allotment from airport authorities

Strengths

Highly qualified and dedicated employees: CATSA has a team of highly qualified and dedicated employees that share an unwavering commitment to protecting the travelling public.

Organizational adaptability: CATSA is able to provide flexible and consistent responses across the civil aviation system nation-wide. The organization achieves this by continuously keeping abreast of the latest threats through its partnerships with the domestic intelligence community and international partners, and by responding in innovative ways.

A culture of innovation: CATSA is an evidence-based organization with highly developed quantitative, qualitative and predictive-analytics capabilities, and a focus on continually improving the effectiveness and efficiency of its screening services, while promoting a positive passenger experience. As a prime example of its commitment to innovation, CATSA has created modelling tools that can accurately simulate wait times and predict potential impacts on service levels. This tool is continually refined to further improve CATSA's forecasting abilities.

CATSA uses its Boarding Pass Security System (BPSS) to collect operational performance data, which allows the organization to produce accurate wait time forecasts as well as real-time wait time information that it then uses to adjust the deployment of screening officer resources to address pressure points at the airport level.

A mature organization with proven leadership in security screening: CATSA has developed collaborative relationships with its third-party screening contractors, partners and stakeholders in the civil aviation sector. This has enabled the organization to leverage these relationships to share information concerning matters of security, wait times, and current and future screening innovations. In addition, CATSA has provided advice and training to a number of federal departments and international security screening agencies.

Opportunities

New governance model and fiscal relationship: The existing fiscal framework has hindered CATSA's ability to implement long-term strategic plans and has limited opportunities for the organization to integrate itself into the airports' long-term facility expansion plans. This has persistently made it challenging for CATSA to keep pace with technology and procedures being introduced by the U.S. TSA and the European Union, and to take advantage of emerging technologies to create a more secure and seamless system for the traveller.

The establishment of a new designated screening authority is intended by the Government of Canada to ensure sufficient autonomy for the authority to set priorities in ways that best deliver on its security mandate, and help meet stakeholder expectations in a highly competitive global market.

CATSA's priority will be to support a seamless transfer to a new authority while minimizing disruptions and delays in longer-term planning.

Advancements in screening technology: Over the next five years, the majority of CATSA's current PBS screening equipment will be reaching its end-of-life phase and will need to be replaced. This represents an opportunity to prepare for the future by introducing next-generation equipment. In preparation for trials of several next-generation screening equipment, CATSA has expanded its test facility to continue testing the latest screening technologies and processes while continuing to support screening technologies currently deployed at airports.

Some of the potential advances in screening technology and processes offer the possibility to transform the screening process by further improving security effectiveness, while improving the customer experience.

Weaknesses

Capacity to provide corporate support services: Since CATSA has not had an established level of sustainable and operationally effective long-term funding; the organization has regularly devoted significant efforts to building a business case for annual supplementary funding and sustainable long-term financial resources. CATSA has been successful in securing annual supplementary funding, but the uncertainty has limited the organization's capacity to respond to industry needs.

Inability to meet industry expectations in terms of wait time service levels: With passenger volumes growing every year at most airports across the country, there has been increasing pressure on CATSA to achieve improved wait time service levels. Despite increasing pressure and in the absence of predictable long-term funding, CATSA has maintained a consistent wait time service level at or above its target in recent years. That being said, stakeholders have expressed a desire to strive for more ambitious targets that are comparable with some of our international partners.

Challenges

Transfer to a new designated screening authority while maintaining seamless operations and securing wind up funding: The transfer from CATSA to a new screening authority could potentially help address the persistent issue of long-term funding for the organization, but would also naturally create some degree of uncertainty. Until the new arrangements are finalized and implemented, the transfer will limit CATSA's ability to commit to certain longer-term strategic initiatives.

International influence over the domestic regulatory environment: CATSA is greatly affected by regulatory changes made by international partners and counterparts. CATSA's partners include the TSA and ECAC, as well as ICAO of which Canada is a member. CATSA will further support Transport Canada in its discussions with the TSA in the harmonization of screening procedures between the U.S. and Canada.

Canada is committed to complying with and supporting ICAO's civil aviation security Standards and Recommended Practices (SARPs). Non-passenger screening is currently a focus at ICAO, where a potential standard of 100% screening is being discussed. If adopted, this would require a change to the current risk-based screening approach deployed in Canada.

Space allotment from airport authorities: Airport authorities are responsible for allotting space within their physical footprint for various functions, including security screening operations. CATSA continues to collaborate with airport authorities to ensure there is sufficient space to meet requirements for the organization's operations. For example, airport authorities are increasingly requesting CATSA Plus lines.

Response to External Audits

Two audits have provided a focus for CATSA's efforts in continuous improvement:

- The *Office of the Auditor General (OAG) Special Examination* report (2015/16) concluded that CATSA provides reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively. CATSA agreed with each of the OAG's seven recommendations and with the replacement of its Learning Management System in October 2018, all recommendations have now been addressed.
- Following the *Office of the Commissioner of Official Languages* 2017 audit report on CATSA's provision of bilingual services to the travelling public, CATSA has continued to improve its approach to official languages through proactive steps taken to address the audit findings and through continuation of our existing official language activities.

Alignment with Government of Canada Directions and Priorities

As a member of the federal government, CATSA actively supports the Government of Canada's broader social, economic, environmental and general governance agenda wherever applicable (Appendix I).

The Minister of Transport's letter of October 20, 2017, to the Chair of CATSA's Board of Directors (Appendix A) affirmed the expectation that CATSA will support the achievement of the Minister's *Transportation 2030* vision for a "safe, secure, green, innovative and integrated transportation system that supports trade and economic growth, a cleaner environment and the well-being of Canada's middle class."

OBJECTIVES, ACTIVITIES, RISKS, EXPECTED RESULTS AND PERFORMANCE INDICATORS

Core Ongoing Objectives and Activities

CATSA will continue to deliver screening services at designated airports, in accordance with established standards, through its four core programs: Pre-Board Screening (PBS); Hold Baggage Screening (HBS); Non-Passenger Screening (NPS); and the Restricted Area Identity Card (RAIC) program. These are actively monitored and measured to track the achievement of objectives and targets, and contribute insights for continuous improvement.

Strategic Objectives, Activities, and Priority Initiatives

CATSA structures its strategic objectives under four broad complementary themes:

- A. SERVICE EXCELLENCE** — focused on security effectiveness, operational efficiency, optimal passenger experience, and sound asset management.
- B. A HEALTHY WORKPLACE** — focused on work-life balance, an inclusive and diverse environment, a culture of recognition, and leadership.
- C. EFFECTIVE PARTNERSHIPS** — focused on industry collaboration and community relations.
- D. OPERATIONAL SUSTAINABILITY**— focused on the transfer to a new designated screening authority while maintaining seamless operations and securing adequate resources for wind up activities.

A. SERVICE EXCELLENCE

Service Excellence is the heart of CATSA's mandate and strategic direction. It embraces the organization's obligations and commitments for security effectiveness, consistency and operational efficiency, a positive passenger experience, and the responsible acquisition, use and care of screening assets.

Objective 1: *Security Effectiveness*

The prevention of prohibited items from entering the air transportation system through the systematic application of CATSA's mandated screening services.

Security is CATSA's top priority, and service excellence is achieved through a number of programs, strategies and procedures, including:

- Clear, consistent and well-communicated SOPs for screening officers that reflect global best practices.
- Comprehensive certification and ongoing recertification programs that include classroom and on-the-job training.
- Open testing, competency sessions, the use of customized training kits, X-ray tutor practice and in-service exercises.
- Ongoing performance monitoring, testing and evaluation programs including operational oversight, covert verification testing and Threat Image Projection System (TIPS).
- Collaboration with screening contractors and aviation security partners to resolve breaches as quickly as possible.
- Incentives to screening contractors, based on their level of performance and their ability to deliver on key technical commitments, including meeting screening effectiveness and service-related outcomes.
- Formal reporting and review of operational performance results on a regular basis, and establishment of action plans to improve performance.

Priority Initiative: CATSA PLUS

CATSA's commitment is to continue deployment of the CATSA Plus concept at select checkpoints at Canada's busiest airports.

- The CATSA Plus initiative is an opportunity to improve the security effectiveness of the screening process through tangible checkpoint innovations and investments in high-performance screening equipment. CATSA Plus fully embraces SMART security concepts.
- CATSA Plus features a number of innovations to security lines designed to enhance security effectiveness. These innovations include: a bin tracking system with a unique identification tag that facilitates the identification of items requiring a search by screening officers; continuous X-ray belts; remote X-ray image review processes; and motorized bag diverters with split lanes to redirect bags requiring additional screening.
- As part of CATSA's life-cycle management of equipment and evolving technologies, the next generation of PBS X-rays will be Computed Tomography. It is likely these new X-rays will need to be integrated with CATSA Plus.

The introduction of FBS as the primary passenger screening tool (FBS primary) at select checkpoints contributes to CATSA's commitment to strive for increased security effectiveness in its operations. It is also consistent with the goal of continued harmonization with our international counterparts, including the U.S. TSA.

Priority Initiative: ENHANCED NON-PASSENGER SCREENING

In July 2013, ICAO promulgated stronger NPS standards requiring that non-passengers (e.g., flight personnel and ground crew) and items they carry be subject to screening and security controls prior to entering restricted areas serving international air operations, and that non-passengers enter the restricted areas at only those access points where screening is normally conducted. The Enhanced NPS initiative was therefore implemented at major designated airports, accounting for over 90% of outbound international flights. Program enhancements at these airports were determined according to airport risk profiles. The significant expansion of CATSA's responsibilities included the introduction of a screening program for vehicles.

CATSA received one-year additional funding through Budget 2019, which will enable the organization to continue to support the Enhanced NPS initiative through 2019/20, following which the new designated screening authority would establish its longer-term plans and investment priorities.

As with all evolving aspects of civil aviation security, CATSA will continue to work closely with Transport Canada and other security partners to keep abreast of new security threats and any changes to domestic or international standards and recommended practices as it relates to non-passenger screening.

Objective 2: Operational Efficiency

The achievement of optimal screening results, leveraging available personnel, systems, procedures and equipment.

- CATSA is dedicated to ensuring optimal results in terms of efficiency without compromising either security screening effectiveness or positive passenger experience. CATSA is constantly exploring and implementing improved ways to plan, invest in and deploy both human resources and equipment and systems. Notable examples include: Application of modelling tools and operational data to forecast passenger wait times and adjust the deployment of screening officer resources to address pressure points and make best use of the screening officer workforce and screening equipment.
- Design, configuration and operation of screening lines to optimize passenger flow.
- Provision of information to passengers to enhance their awareness of security requirements and procedures, and to facilitate their full and efficient compliance both in advance of and during screening.

Objective 3: Optimal Passenger Experience

The achievement of high levels of passenger satisfaction with, and confidence in, their interactions with CATSA.

CATSA is committed to maintaining high standards of screening efficiency and consistency, facilitating smooth passenger flow, and achieving high levels of customer satisfaction.

Screening Officer Professionalism

The professionalism of screening officers is a vital factor in ensuring a positive passenger experience. In 2017/18, CATSA established the *Customer Service Commitment to Passengers* framework, targeting both screening officers and passengers and focused on improving the passenger experience. This has entailed:

- Revision of PBS checkpoint procedures in line with the Service Commitment.
- Integration of the Service Commitment into the Screening Officer Foundations course.
- Development of a Recurrent Learning Program module.
- Development and distribution of visual communication products at the checkpoint, including pins for screening officers and floor decals with the slogan “Your Security 1st”.

CATSA expects that screening officers maintain the trust and confidence of the travelling public by providing an excellent level of customer service throughout the entire screening process, treating all persons with care, courtesy and respect as part of a positive and secure air travel experience. Screening officers are provided with the knowledge and skills needed to perform screening functions with an emphasis on customer focused security:

- Training on professional conduct, including key points such as communication, customer service, teamwork, work habits, attitude and appearance, forms a mandatory component of the training program for all screening personnel.
- As part of CATSA’s Recurrent Learning Program, screening officers receive training specifically designed to focus on customer service, reinforcing the view that air travellers are “customers” who expect and deserve an efficient and effective screening experience. By providing the passenger’s perspective, these training sessions aim to teach screening officers that excellent security screening is about not only detecting threat items but also helping passengers to get through the screening process quickly and without difficulties.
- CATSA’s SOPs include standards of professional conduct for screening officers to exhibit when dealing with travellers. These standards reflect CATSA’s vision for quality security screening with a committed, professional and engaged workforce.
- CATSA launched a new campaign in 2019, which promotes a more positive image of screening officers amongst the travelling public. The campaign demonstrates to screening officers that CATSA values their professionalism and recognizes their hard work in ensuring that travellers arrive safely to their destination. The campaign is featured nationally at screening checkpoints and throughout social media outlets.

Strategic innovations in the deployment and use of screening equipment and the management of screening lines are also vital for both screening effectiveness and the enhancement of passenger experience. The CATSA Plus initiative is a major element of such innovation.

Priority Initiative: CATSA PLUS

- The CATSA Plus initiative provides an opportunity to improve the passenger experience through tangible checkpoint innovations and investments in high-performance screening equipment.
- These innovations include: parallel divest stations that allow passengers who are familiar with screening procedures to place their items in bins and thereby bypass those needing more time and assistance; motorized bin returns for return of empty bins; and expanded and enhanced repack areas with tables and benches.
- Airport authorities are increasingly requesting the CATSA Plus concept as an attractive feature for the travelling public as well as to accommodate growing passenger volumes with efficient use of available airport space.

Objective 4: *Sound Asset Management*

The timely acquisition, responsible maintenance, and systematic recapitalization of screening equipment and related systems.

CATSA's plans for ongoing life-cycle maintenance programs as well as recapitalization plans for the replacement of screening equipment as they reach the end of their life and/or as new technological requirements are introduced. CATSA maintains an active system of routine equipment maintenance for its full inventory of screening and other equipment, in line with operational needs, equipment performance monitoring, and manufacturer's specifications.

Plans for end-of-life-cycle replacement and/or upgrading take into account such key factors as the manufacturer's ability to support the equipment, new regulatory requirements, and major technological advancements. Technological advancements and new technologies, including potential upgrades to existing equipment, are closely monitored to identify opportunities to evaluate new screening equipment that may improve the security effectiveness, screening efficiency and/or passenger experience of the screening process, and to remain aligned with security partners.

Priority Initiative: HOLD BAGGAGE SCREENING RECAPITALIZATION

CATSA plans to continue with its 10-year HBS Recapitalization Program to seamlessly replace older equipment and technologies with new ones.

In Budget 2011, CATSA was allocated capital funding to begin a 10-year HBS life-cycle management program through the deployment of CT X-ray technology while maintaining equivalency with key international partners.

The HBS Recapitalization Program ensures that CATSA migrates from a five-level screening process to a three-level process, while introducing efficiencies and eliminating the need to re-screen checked baggage originating from Canada arriving in the United States, thereby streamlining the process for passengers connecting through a U.S. hub.

The Program encompasses 32 airports and is comprised of 45 projects. Initial deployments focused on Canadian airports with U.S. pre-clearance facilities in order to support the joint Canada–U.S. *Beyond the Border* declaration. CATSA is on track to complete this initiative on budget by 2020/21.

Additionally, CATSA will be making enhancements to the RAIC program, including the recapitalization of critical equipment such as the biometric scanners. As part of CATSA's mandated activities, the RAIC system is essential to securing the restricted access areas at airports.

B. A HEALTHY WORKPLACE

Successful delivery of CATSA's mandated services is dependent on cultivating and sustaining an engaged workforce, optimizing CATSA's ability to recruit and retain talent, and ensuring a healthy, encouraging and productive work environment.

To support the achievement and maintenance of a healthy workplace, CATSA is drawing on organization-wide culture surveys (conducted in December 2015 and February 2018) that are providing valuable insights on the perspectives, needs, and aspirations of CATSA employees with respect to CATSA's corporate culture and work environment. Ongoing efforts will also focus on enhancing existing human resources strategies in the areas of performance management and short and long-term retention initiatives.

Objective 1: Work–Life Balance

Achievement and maintenance, for managers and staff alike, of a healthy and sustainable balance between their daily workloads and responsibilities, and their personal needs and family commitments.

CATSA's efforts will focus on sustainable approaches to workload planning and management, and the setting of policies and guidelines to respect the boundaries between professional and personal responsibilities. In planning and managing major new initiatives, CATSA relies on

strategies that maximize flexibility in how new workloads can be handled without undue strains on core personnel; this includes strategic use of fixed-term contracts and engagement of professional services where appropriate. CATSA has also introduced policies to increase flexibility for employees to encourage work–life balance.

Objective 2: *Inclusive and Diverse Environment*

Achievement of a well-balanced workforce that reflects the diversity of Canada, and fostering of a positive and supportive working environment that respects diverse social and cultural values.

CATSA will continue to focus on: promoting and supporting both official languages in the workplace and at screening lines; implementing human resources practices that support diversity in hiring and advancement; applying *Gender-Based Analysis Plus* to identify and pursue opportunities to make CATSA a more supportive environment for different groups; and supporting workplace measures to understand and embrace diversity. CATSA will also continue to support its internal Diversity and Inclusion Network, a representative working group comprised of CATSA staff from across the organization that explores and promotes positive workplace practices and organizational priorities reflecting the principles of employment equity, diversity and inclusion.

Objective 3: *Culture of Recognition*

Establishment of CATSA as a positive, encouraging and enabling institution that facilitates, acknowledges and celebrates individual and collective growth and sense of achievement.

CATSA will focus on policies and practices that encourage and support individual growth and sense of worth as valued employees, guided and facilitated by such initiatives as triennial employee surveys.

Additionally, CATSA has a Performance Management Program (PMP) which is intended to provide all employees with a positive, rewarding and developmental experience. The process allows employees the opportunity to review their performance with their manager, while determining their path of future career development and their ability to contribute to CATSA's overall success. CATSA will be conducting a review of its PMP in order to make improvements and to ensure the program is achieving its intended results.

Objective 4: *Transformative Leadership*

Demonstration by example and active support of creative approaches to continuous improvement.

CATSA will focus on a range of initiatives to encourage and facilitate proactive leadership and innovation in all aspects of its operations. CATSA will be pursuing opportunities to expand the role of the CATSA Leaders Forum, annual employee retreat and enhanced employee communications as channels to articulate and foster the vision and behaviours that will support a transformative culture.

CATSA also implemented a Management Development Program. This program supports and prepares managers for future challenges by managing through change and aligning teams for success while promoting innovative ideas by fostering an inclusive and diverse culture.

C. EFFECTIVE PARTNERSHIPS

CATSA operates in a highly integrated environment, which features a diverse array of partners and a broad and complex range of activities:

- **Partners:** Other federal, provincial/territorial and local government agencies, airport authorities, air carriers and service providers, and international partners and counterparts.
- **Activities:** Flight scheduling, passenger check-in, passenger and baggage screening, loading of checked baggage, boarding of aircraft, and response to known or perceived security screening breaches, adaptation to evolving threat environments, regulatory obligations, and technological innovations.

Recognizing that all must operate seamlessly to ensure optimal security and efficient movement of people and goods, CATSA is committed to continually building and strengthening collaborative relationships with industry partners, stakeholders and the broader community.

Objective 1: Industry Collaboration

Establishment and maintenance of strong and positive working relationships between CATSA, its security partners and other members of the civil aviation industry.

CATSA will continue to focus on improving its communication and coordination with industry partners and stakeholders, focused on positive collaboration and a clear understanding of shared interests and complementary roles, including daily working relationships with individual airport authorities. CATSA will also leverage its relationships with its counterparts and partners in the international community, proactively sharing information and plans for future innovations, and continuing to work closely with ICAO, IATA and ACI.

Priority Initiative: COST-RECOVERY SCREENING AGREEMENTS

In May 2018, the *Transportation Modernization Act* received Royal Assent, resulting in changes to the *CATSA Act* that formalize policy authority for CATSA to implement cost-recovery initiatives for enhanced screening requested by any party (e.g., airport authority, air carrier, etc.). This may include screening enhancements at designated airports that strive for expedited passenger screening, as well as for non-designated airports whose authorities wish to improve service to passengers by having CATSA establish screening at their airport facilities on a cost-recovery basis.

Since 2014, CATSA has had supplemental screening agreements to trial cost recovery at PBS with the shared objective of improving passenger wait times. This initiative began on October 5, 2014, and allowed the Greater Toronto Airports Authority (GTAA) to purchase additional screening services in order to increase screening capacity and improve wait time service levels. CATSA recently received approval from Transport Canada to extend the ongoing agreement with the GTAA until March 31, 2020, pursuant to the authorities introduced by Bill C-49.

CATSA has also reached an agreement with the Muskoka Airport Authority for the delivery of screening services over a 10-week period beginning in June 2019. A total of 20 flights are scheduled to undergo CATSA screening during that time. At the end of the 10 weeks, the Muskoka Airport Authority and CATSA can jointly agree to extend the agreement, if desired.

Some non-designated airports have also initiated discussions with CATSA. As airports demonstrate an interest in pursuing screening enhancements from CATSA on a cost-recovery basis, the organization will, with the support of Transport Canada, continue to engage with interested partners to discuss the options available.

Objective 2: *Community Relations*

Establishment and maintenance of close and favourable relations with key stakeholders in the broader community.

CATSA will focus on enhanced outreach and engagement with key institutions and groups in the broader community with interests in the organization's operations to foster mutual understanding and appreciation of respective needs and priorities. As a priority, CATSA will continue to reach out to Indigenous communities in order to identify ways in which the organization's approaches to screening can appropriately respect and support their cultural values, experiences and expectations, such as the respectful and sensitive screening of sacred items.

D. OPERATIONAL SUSTAINABILITY

The chronic lack of an adequate, stable and sustainable funding level for CATSA operations is a priority concern for the organization. This has made long-term planning decisions challenging, particularly in light of the growing complexity of security risks and their implications for increasingly sophisticated and effective screening technologies and procedures.

As part of Budget 2019, the Government of Canada introduced legislation to enable the sale of CATSA and its assets and liabilities, allowing a new designated screening authority to have greater flexibility to plan for the future and more nimbly respond to changes along the way.

Objective 1: *Seamless Operations During Transition*

Transferring to a new designated screening authority while maintaining seamless operations and securing adequate resources for wind up activities.

CATSA has been dependent on annual supplementary funding, which offers no predictability, is unduly onerous and time-consuming to plan and negotiate annually, and typically is confirmed only immediately prior to the start of the fiscal year. This has historically limited CATSA's ability to make strategic adjustments to plans and priorities with suitable timeframes. In particular, it makes it challenging for the organization to reliably plan for and invest in critical new technologies and related screening procedures that keep pace with evolving threats, growing passenger volumes, and new screening standards and best practices.

The Government of Canada has taken steps to address CATSA's long-term funding challenges with the introduction of the *Security Screening Services Commercialization Act* under the *Budget Implementation Act 2019*, which permits the establishment of a new not-for-profit designated security screening authority. This would include provisions for the seamless transfer of responsibilities, as well as relevant equipment and other assets, from CATSA to the new authority.

Corporate Risk Environment

CATSA undertakes an annual review of its risk environment. Distinct from the aviation security threats and risks that are at the heart of the organization's mandate and mission, are institutional and operational risks that may compromise CATSA's ability to execute its mandate effectively and efficiently. These are detailed in CATSA's Corporate Risk Profile (CRP), which provides a snapshot of known or potential factors that may arise in the course of the organization's planning and delivery of services. CATSA's Board of Directors and Senior Management Committee pay close attention to those risks that might compromise the effectiveness of screening, as security is CATSA's top priority (Appendix G). As always, CATSA will make adjustments in response to any newly identified or modified risks revealed in its updated risk assessments. CATSA has introduced changes to its program to monitor transition-related risks.

FINANCIAL OVERVIEW

Funding

CATSA is funded by parliamentary appropriations and is accountable to Parliament through the Minister of Transport. Consequently, CATSA delivers its security mandate in accordance with the resources it is assigned by the Government of Canada.

Over the past several years, CATSA's A-Base funding¹ has been supplemented with consecutive one-year incremental funding in order to address its immediate needs. Most recently, CATSA obtained incremental funding of \$288.3 million for fiscal year 2019/20 through Budget 2019, an increase of approximately 50% to its A-Base funding. With the additional funding, the organization's 2019/20 reference level is sufficient to maintain a targeted WTSL of 85/15 at PBS checkpoints and its compliance with ICAO standards for NPS.

Furthermore, through Budget 2019, the Government of Canada announced its intention to introduce legislation that would enable the government to sell the assets and liabilities of CATSA to an independent, not-for-profit entity. To that end, CATSA's funding envelope included \$8.5 million to support this transfer, \$3 million of which has been reallocated to Transport Canada as per the government's direction in recognition of its lead role in the transfer.

Financial Plan

CATSA's Financial Plan is presented on a cash basis, and aligns with the organization's funding announced through Budget 2019 for fiscal year 2019/20. It has been developed based on the government's targeted sale transaction date of April 1, 2020. CATSA is currently working with Transport Canada and Central Agencies to obtain funding for fiscal year 2020/21 to undertake wind up activities.

Key priorities for fiscal year 2019/20 having a significant financial impact include, but are not limited to, the following:

- Target a WTSL of 85/15;
- Continue to deliver the current enhanced NPS program;
- Deploy CATSA Plus at select checkpoints; and
- Relocate existing Full Body Scanners at transborder checkpoints to the primary screening position at the four largest Class I airports.

¹ The organization's Annual Base (A-Base) funding levels were established through Budget 2010, prior to ICAO's announcement of strengthened NPS standards, adjusted for Budget 2011 for HBS life-cycle management, and subsequently reduced to reflect the outcome of successive mandatory operational and organizational reviews.

Financial Plan by Program <i>(Figures are in thousands)</i>	Actual 2017/18	Actual 2018/19	Budget 2018/19	Plan 2019/20	Plan 2020/21	Plan 2021/22	Plan 2022/23	Plan 2023/24
Operating Expenditures								
PBS	\$ 381,546	\$ 425,261	\$ 416,292	\$ 442,832	\$ -	\$ -	\$ -	\$ -
HBS	107,225	112,777	114,154	122,913	-	-	-	-
NPS	130,195	134,336	144,899	148,406	-	-	-	-
RAIC	2,097	2,033	2,022	2,865	-	-	-	-
Corporate Services	39,789	41,458	42,065	46,485	-	-	-	-
Subtotal	\$ 660,852	\$ 715,865	\$ 719,432	\$ 763,501	\$ -	\$ -	\$ -	\$ -
Other Sources of Operating Funding	(14,545)	(12,792)	(11,736)	(11,072)	-	-	-	-
Net Operating Expenditures funded by Parliamentary Appropriations	\$ 646,307	\$ 703,073	\$ 707,696	\$ 752,429	\$ -	\$ -	\$ -	\$ -
Capital Expenditures								
PBS	\$ 22,964	\$ 20,065	\$ 21,688	\$ 19,639	\$ -	\$ -	\$ -	\$ -
HBS	49,211	84,702	118,968	113,815	-	-	-	-
NPS	2,411	188	1,833	689	-	-	-	-
RAIC	94	2,679	3,520	5,489	-	-	-	-
Corporate Services	912	3,219	4,162	6,210	-	-	-	-
Net Capital Expenditures funded by Parliamentary Appropriations	\$ 75,592	\$ 110,853	\$ 150,171	\$ 145,842	\$ -	\$ -	\$ -	\$ -
Total Expenditures funded by Parliamentary Appropriations	\$ 721,899	\$ 813,926	\$ 857,867	\$ 898,271	\$ -	\$ -	\$ -	\$ -

The following section provides key highlights of CATSA's Financial Plan.

Fiscal Year 2019/20

Screening Operations

Screening services to carry out CATSA's mandated PBS, HBS and NPS programs account for a large share of its activities and, as such, represent a significant majority of its operating budget for 2019/20. These costs consist mainly of payments to third parties for the delivery of screening performed by screening officers. With billing rates and screening hours being the key cost drivers, these costs continue to rise annually to accommodate annual rate increases as per the terms of CATSA's Airport Screening Services Agreements (ASSAs), and passenger growth.

In addition, screening hour requirements for NPS increase from 2018/19 levels mainly to reflect the anticipated completion of the construction of permanent vehicle facilities at certain airports in 2019/20. These requirements are also based on the NPS Aircraft exemption introduced in July 2017 that has been extended to July 2021.

New/Ongoing Initiatives

In 2016/17, CATSA introduced the CATSA Plus screening concept at PBS checkpoints as part of its commitment to customer service excellence and security effectiveness. With the successful deployment of 66 CATSA Plus lines in select Class I airports to March 31, 2019, the organization plans to deploy 18 additional lines at select checkpoints in 2019/20. This will drive capital costs, as well as operating costs, as additional screening officers will be deployed during the initiation phase of the deployment to ensure that operations remain efficient and effective.

In addition, CATSA will be moving some of the existing FBS units to the primary screening position thus increasing their usage to align Canada's screening with that of the TSA. In 2019/20, FBS units will become the primary screening tool at transborder checkpoints at the four largest Class I airports (Toronto, Vancouver, Montreal and Calgary). The units will be used in combination with Walk-Through Metal Detectors to ensure a continual flow of passengers through the screening process. This will drive additional operating costs, as increased screening coverage will be required to resolve an anticipated increase in alarms.

Capital Life-Cycle Management/New Technology

CATSA's capital life-cycle management program is a significant cost driver to CATSA's capital plan. The plan has been developed based on ensuring that its equipment remains compatible with its international partners, and employs the best industry practices and standards to deliver a secure experience for air travelers. As part of the ongoing life-cycle management program, CATSA has undertaken a review of the remaining useful life of its equipment and systems currently deployed at the designated airports across Canada. This has also included exploring

new technology and trends that can enhance the screening process at the 89 designated airports.

Capital investments earmarked for the upgrade of CATSA's HBS system with CT technology are in excess of \$100 million in 2019/20. This initiative was launched in 2011, based on a 10-year deployment schedule for a total project cost of approximately \$600 million, and is in support of the joint Canada-U.S. *Beyond the Border* declaration.

These large capital projects will drive higher maintenance costs to support both the deployment of additional equipment as well as more sophisticated technologies.

Key Assumptions and Risks

Passenger Growth — the passenger growth projections (provided by SNC Lavalin) are a key assumption used in CATSA's Wait Time Impact Model, a tool developed to determine the number of screening hours required at PBS checkpoints to deliver a desired wait time service level. Growth is projected to be 4.1% for fiscal year 2019/20. CATSA's ability to deliver the desired level of service may be impacted should a different passenger growth rate materialize.

Billing Rates and Inflation — the rates used in the development of the budget are based on the terms of CATSA's existing contracts, which reflect annual inflationary increases. The budget also accommodates an average salary increase of 2.5% for 2019/20.

Foreign Exchange Rates — in 2016/17, CATSA developed a hedging strategy to reduce its foreign currency exposure. Planned purchases for 2019/20 denominated in U.S. dollars that are not covered by hedging contracts, due to various factors (including the uncertainty in timing), represent approximately \$26 million and have been translated using a USD exchange rate of 1.32. CATSA continues to monitor its future commitments and will enter into new hedging contracts as per its approved hedging strategy.

Capital Re-Profiles — as the organization does not have the authority to carry forward capital funds, re-profile requests have become a necessary part of CATSA's annual financial management process. Accordingly, CATSA's capital budget reflects the re-profile of capital funds from 2018/19 to 2019/20.

APPENDIX A: Ministerial Mandate Letter



OCT 20 2017

Ms. Marguerite France Anne Marie Nadeau, Q.C.
Chairperson
Board of Directors
Canadian Air Transport Security Authority
99 Bank Street, 13th Floor
Ottawa ON K1P 6B9

Dear Ms. Nadeau:

I am pleased to provide you with a copy of the official documentation of your appointment by the Governor in Council, by P.C. 2017-1140, dated September 13, 2017, as Chairperson of the Canadian Air Transport Security Authority (CATSA) for a term of five (5) years. I would also like to take this opportunity to thank you for agreeing to serve in this capacity, as well as convey my expectations for the corporation and inform you of some recent government decisions on CATSA.

As an agent Crown corporation, CATSA is mandated to protect the public by securing critical elements of the air transportation system as assigned by the Government of Canada. My role as Minister of Transport is to exercise oversight in accordance with the accountability regime set out in the *Financial Administration Act*, Part X. In this context, one of my key responsibilities is to answer for CATSA in Cabinet and in Parliament.

As Chairperson, you are the representative of CATSA to outside parties, as well as the leader and facilitator of the Board of Directors as it carries out its duties. You are also the primary link between the Board and me as the representative of the government. The responsibilities of the Board of Directors include oversight of the business and activities of the corporation. That being said, the Board is expected to ensure that the strategic direction of the corporation is in line with the government's broad policy objectives and priorities; ensure that appropriate risks have been identified and appropriate systems are in place to manage these risks; ensure that the corporation's information systems and management practices meet its needs; and assume accountability for the integrity of the information produced by the corporation.

Canada

The Chief Executive Officer (CEO) is a member of the Board and the key link between it and management of the corporation. The CEO is accountable to the Board for the management and performance of the corporation. Just as I am expected to hold the Board accountable, I expect the Board to hold the CEO accountable. The current CEO has been appointed on an interim basis, pending the completion of a competitive selection process. Among your first duties as Chairperson will be to participate in the selection processes for the appointments of a CEO and directors for CATSA, which are currently underway. I trust that all Board members will provide you with the support needed to ensure the good governance and continued success of this corporation.

As a Crown corporation within the Transport portfolio, CATSA provides specific services on behalf of the Government of Canada with considerable operational autonomy. I would, however, remind you that, being part of the federal public sector, CATSA plays an important public policy role and is subject to obligations that are unique to the public sector.

Since the corporate plan is the centrepiece of the accountability regime in place for Crown corporations, its timely approval is critical for good governance. One of the key success factors to the timely approval of corporate plans is early and meaningful consultations with all relevant officials. This is even more important if there are activities being proposed in the corporate plan that may pose mandate or policy questions. In these instances, you are to seek my views before undertaking any such activities, including planning or consultations. I understand that CATSA's 2017–2018 to 2021–2022 corporate plan has been delayed by circumstances outside of CATSA's control, but the process is well underway for its approval in 2017–2018.

I would also like to take this opportunity to bring to your attention a significant initiative you will be addressing early in your mandate. As you may be aware, in my *Transportation 2030* speech of November 3, 2016, I announced my vision for a “safe, secure, green, innovative and integrated transportation system that supports trade and economic growth, a cleaner environment and the well-being of Canada's middle-class.”

As part of my address, I announced that we will be exploring CATSA's governance in an effort to make it more accountable to a service standard and to make its funding more sustainable. The ultimate objective is to move more people, faster, through airport screening using new technologies and new techniques, while improving the quality of screening services. Transport Canada and Finance Canada officials have jointly led this initiative, in close collaboration with CATSA and other stakeholders, to develop options for improving CATSA's funding situation and governance, for consideration by Cabinet. I am aware of CATSA's funding requirements for 2018–2019, and I am working with my colleagues to ensure continuation of service as we advance our work on funding requirements and governance options.

As Chairperson, you will be responsible for ensuring the continuation of CATSA's operations and for providing sage leadership and guidance while a government decision is reached as well as during the transition period that may follow. To assist you in this process, you will be consulted and briefed on developments.

As you may know, the Government of Canada is committed to diversity and inclusion as a tremendous source of strength for our country. I encourage CATSA to continue its best practices in this regard by hiring, when possible, more women and Indigenous peoples, members of visible minorities and persons with disabilities.

Given that I am answerable to Parliament for the overall effectiveness of the corporation, and in the general interests of openness and transparency, please ensure that CATSA continues to give my office and Transport Canada notice of issues that might be of interest to the public so that I am adequately prepared to answer any questions concerning CATSA in Parliament. For any such communication with my office, Mr. Adel Boulazreg will be your contact person and can be reached at 613-991-0700. With respect to other matters, you may wish to contact my Deputy Minister, Mr. Michael Keenan, who is responsible for policy integration within the Transport portfolio, and his senior staff who assist me in matters of policy and governance.

Finally, I would like to again say how pleased I am that you have agreed to serve as Chairperson of CATSA. I would also like to extend my appreciation to the CATSA staff that continue to work closely with my departmental officials on an ongoing basis and, in particular, for their efforts in support of the Government's review of CATSA's funding and governance requirements. I look forward to continuing and building upon this successful working relationship in the future.

Yours sincerely,



The Honourable Marc Garneau, P.C., M.P.
Minister of Transport

Enclosure (1) – P.C. 2017-1140

c.c.: Mr. Michael Saunders
President and CEO
Canadian Air Transport Security Authority

Mr. John Stroud
Vice-President, Corporate Services and Corporate Secretary
Canadian Air Transport Security Authority

Mr. Michael Keenan
Deputy Minister of Transport

APPENDIX B: Corporate Governance Structure

Accountability Relationships

CATSA is an agent Crown corporation with a Board of Directors appointed by the Governor in Council on the recommendation of the Minister of Transport. CATSA reports to Parliament through the Minister of Transport and works with Transport Canada to ensure regulatory compliance.

Board of Directors

CATSA is governed by an 11-member Board of Directors appointed by the Governor in Council. Two of the Directors are nominated by the airline industry and two from the airport industry. All Directors are independent of CATSA management.

The Board of Directors has a number of ongoing responsibilities, including:

- Drafting, amending or repealing corporate by-laws.
- Approving CATSA's Corporate Plan for recommendation to the Minister.
- Monitoring corporate performance.
- Approving the President and CEO's objectives for the year and evaluating his/her performance.
- Ensuring the principal risks of CATSA's business are identified and that appropriate systems to manage these risks have been implemented.
- Reviewing and approving management's succession plan for senior management.
- Ensuring the fulfillment of the Corporation's mandate.
- Establishing CATSA's strategic direction through its annual Corporate Plan and safeguarding the resources of the Corporation by approving Annual Reports, capital and operating budgets, and major new project proposals.

Under provisions of the *CATSA Act*, each Director holds office for a term of not more than five years. The Governor in Council may renew the term of office of any Director for a maximum of one further term of not more than five years.

Board Committees

The *Audit Committee* assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, risk management, internal controls, internal and external audits and other oversight responsibilities.

The *Governance, Human Resources and Pension Committee* (GHRP) assists the Board in fulfilling its oversight responsibilities with respect to governance issues including areas such as human resources and compensation, management succession plans, policies and processes relating to employee business conduct and ethical behaviour, annual objectives for the President and CEO, management and administration of the employee pension plan(s) and any other matter assigned to it by the Board.

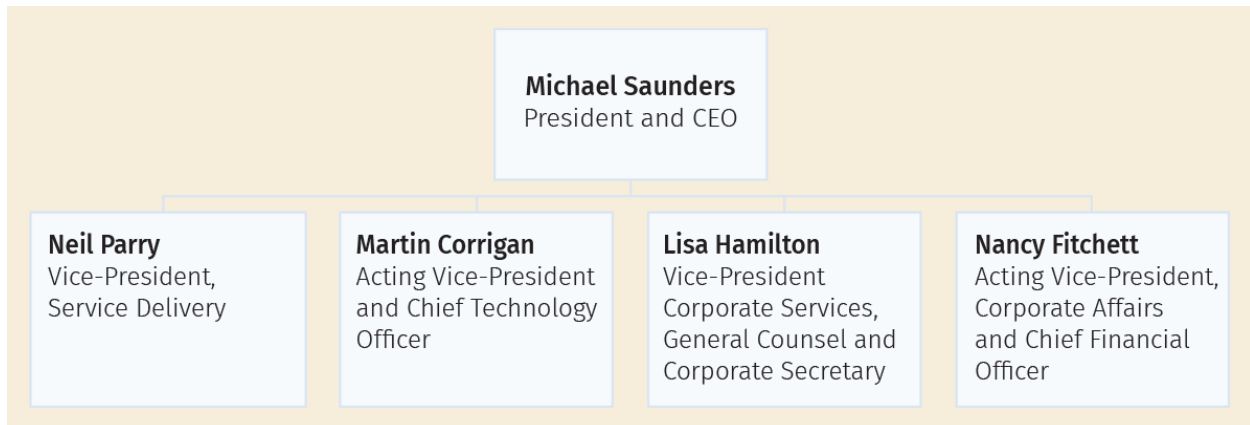
The *Strategy Committee* assists the Board in fulfilling its oversight responsibilities for matters relating to or affecting CATSA's strategic direction in accordance with its legislated mandate and provides oversight and advice to Management in the development and implementation of strategic initiatives.

As of July 23, 2019, CATSA's Board of Directors included:

Current	Appointment Date	Mandate Expiry Date	Board Committee Membership
Marguerite Nadeau, Chairperson	2017/09/13	2022/09/13	<i>Ex officio</i> member of all Board committees
Jean-Philippe Brunet	2018/02/21	2022/02/21	GHRP Committee Strategy Committee
Melissa Coulson	Original: 2014/01/30 Reappointment: 2018/02/21	2020/02/21	GHRP Committee Audit Committee
Sharon Duggan	2018/02/21	2022/02/21	GHRP Committee Audit Committee
Patricia Kennedy	Original: 2015/03/26 Reappointment: 2018/06/25	2021/06/24	Audit Committee Strategy Committee
Gilles Lalonde	2018/02/21	2022/02/21	Audit Committee Strategy Committee
Taleeb Noormohamed	2018/02/21	2022/02/21	GHRP Committee Audit Committee
William Restall	Original: 2014/09/29 Reappointment: 2018/06/14	2021/06/14	GHRP Committee Strategy Committee
Allan Rowe	Original: 2012/05/03 Reappointment: 2018/03/13	2021/03/12	Audit Committee Strategy Committee
Diane Trenn	2018/06/14	2021/06/14	Audit Committee Strategy Committee
Penny Westman	2019/03/22	2023/03/22	<i>*Will be assigned to committees after the September Board meeting</i>

CATSA's Senior Management Team

CATSA is led by the President and CEO, Michael Saunders, on an interim basis until April 1, 2020, or until a permanent appointment is made by the Government of Canada. Michael Saunders is supported by a senior management team, as shown below:



APPENDIX C: Planned Results

Expected Results and Performance Indicators

CATSA has one Core Responsibility, which is to deliver effective, efficient and consistent security screening for civil aviation that is in the interest of the travelling public at designated airports, by way of the PBS, HBS, NPS, and RAIC program.

CATSA uses a number of key indicators to set operational performance targets and to monitor, assess and report on progress and achievements in areas of critical importance to the fulfillment of its mandate and mission, the support of government objectives and priorities, and the maintenance of favourable relations with the travelling public and civil aviation partners.

The following pages lay out CATSA's key measured targets and objectives, and the criteria and indicators used to measure progress, as it relates to maintaining seamless operations through the period of transition to a new designated screening authority.

ACTIVITIES	INDICATORS	TARGETS	DATA
A. SERVICE EXCELLENCE			
OBJECTIVE 1: Security Effectiveness The prevention of prohibited items and non-permitted items from entering the air transportation system			
Pre-Board Screening (PBS) Hold Baggage Screening (HBS) Non-Passenger Screening (NPS)	Aggregate Security Effectiveness scores; calculated by combining performance results from the following sources: <ul style="list-style-type: none"> • PBS and NPS testing performance • HBS testing performance • Risk only breach score • PBS and NPS TIPS performance • HBS TIPS performance 	Cannot be reflected in a public document due to security classification	Screening officer performance results
OBJECTIVE 2: Operational Efficiency The achievement of optimal screening efficiency with available personnel, systems and equipment			
Screening	Optimal passenger throughput—top 10% of passengers screened per screening line at Class I airports over 15-minute increments Screening contractor payments per passenger screened	Continual improvement over time (inflation adjusted when analyzed)	Quarterly collection and reporting of BPSS passenger throughput results and calculation of screening contractor payments per passenger screened
OBJECTIVE 3: Optimal Passenger Experience The achievement of high levels of passenger satisfaction with, and confidence in, their interactions with CATSA			
Passenger Screening Experience and Professional Treatment	Wait Time Service Level Passenger satisfaction with: <ul style="list-style-type: none"> • Screening Officer conduct • Consistency of screening procedures • Speed of screening 	WTSL: 85/15 Satisfaction: 85%	Monitoring of passenger wait times, averaged on an annual basis Passenger intercept surveys at Class I airports Monitoring of complaints to CATSA per 50,000 passengers

ACTIVITIES	INDICATORS	TARGETS	DATA
OBJECTIVE 4: Sound Asset Management The timely acquisition, responsible maintenance, and systematic recapitalization of screening equipment and related systems			
Screening Equipment Availability and Performance	Availability of all major screening technology platforms at Class I airports Verification of screening equipment detection performance	Availability of PBS and HBS equipment Performance detection	The overall availability of all major screening technology platforms for screening operations
Screening Equipment Re-capitalization	Screening equipment upgrades and replacement plans <ul style="list-style-type: none"> • HBS Recapitalization • PBS X-ray Recapitalization • RAIC Recapitalization 	On time and on budget	Monitoring of equipment replacement plans and progress
B. A HEALTHY WORKPLACE			
OBJECTIVE 1: Work–Life Balance Achievement and maintenance, for managers and staff alike, of a healthy and sustainable balance between their daily workloads and responsibilities and their personal needs and family commitments			
Workload Planning	Flexibility to accommodate new initiatives with minimal adverse impact on employee workloads and pressures	Stable or year over year improvement in the employee satisfaction index	Employee surveys conducted every three years
Workplace Policies	Flexibility to accommodate employee preferences and demands (telework, use of sick days and flexibility in core hours)	Annual attrition rate: 8.0% Absenteeism: 3 days per quarter per employee	Employee workplace support agreements in place Adoption/uptake of efficient workplace technologies

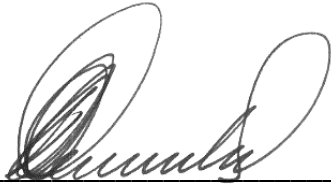
ACTIVITIES	INDICATORS	TARGETS	DATA
OBJECTIVE 2: Inclusive and Diverse Environment Achievement of a well-balanced workforce that reflects the diversity of Canada, and fostering of a positive and supportive working environment that respects diverse social and cultural values			
Recruitment and Advancement	Workforce demographics Outreach recruitment Retention of diverse employees Internal movement and promotions Progress against our Employment Equity Plan	Diverse workforce Annual internal movement and promotions rate: 9.2% Turnover rate by designated groups Short and long-term employment equity goals	Workforce demographics Employment Equity Plan Multiculturalism Report Official Languages Report Employee surveys conducted every three years
Workplace Support	Workplace accommodations procedures Diversity and Inclusion Network initiatives Complaints regarding violations of the Respectful Workplace Policy and Procedure Annual employee statement of compliance with the Code of Ethics	Active use of workplace support measures Employee satisfaction	Employee surveys conducted every three years <i>Public Servants Disclosure Protection Act</i> reporting Internal reporting mechanisms
OBJECTIVE 3: Culture of Recognition Establishment of CATSA as a positive, encouraging and enabling institution that facilitates, acknowledges and celebrates individual and collective growth and sense of achievement			
Training, Development and Advancement	Continuous development of management and employee skills and experience Encouragement and openness to employee innovation and initiative	Employee satisfaction Professional development and designations budget: 1.5% of operating budget Annual internal movement and promotions rate: 9.2%	Employee surveys conducted every three years Budget for professional development and designations

ACTIVITIES	INDICATORS	TARGETS	DATA
OBJECTIVE 4: Transformative Leadership			
Demonstration by example and active support of creative approaches to continuous improvement			
Setting the Tone from the Top	Adoption of innovative, inclusive and competitive workplace practices Enhancement of existing vehicles to promote innovation (CATSA Leaders Forum, employee retreat and employee communication)	Employee feedback on leadership Completed enhancements aimed at fostering vision and behaviours that support a transformative culture	Employee surveys conducted every three years Feedback from the Board
Organizational Support of Front-line Management	Implementation of management development program	Employee feedback on leadership	Employee surveys conducted every three years Mandatory participation in the MDP (% of completion) Performance reviews (e.g., people leadership competencies)
C. EFFECTIVE PARTNERSHIPS			
OBJECTIVE 1: Industry Collaboration			
Establishment and maintenance of strong and positive working relationships between CATSA, its security partners and other members of the civil aviation industry			
Liaison, Outreach and Joint Initiatives	Well-established formal and informal processes for dialogue and collaboration with industry Responsiveness to industry requests, including for screening enhancement on a cost-recovery basis	Close, respectful and productive relations Timely and meaningful response to industry requests	Industry consultations and feedback Negotiated agreements for cost-recovery screening enhancements where applicable
OBJECTIVE 2: Community Relations			
Establishment and maintenance of close and favourable relations with key stakeholders in the broader community			
Information, Outreach, Collaboration and Cooperation	Well-established formal and informal processes for communication and feedback with community stakeholders and the travelling public	Close, respectful and productive relations Timely and meaningful response to public and community requests and complaints	Stakeholder consultations and communications Public and passenger enquiries, suggestions and complaints

ACTIVITIES	INDICATORS	TARGETS	DATA
D. OPERATIONAL SUSTAINABILITY			
OBJECTIVE 1: Seamless Operations During Transition Transferring to a new designated screening authority while maintaining seamless operations and securing adequate resources for wind up activities			
Seamless Operations	Smooth operations for passengers and CATSA staff CATSA actively engaged in supporting the Government of Canada throughout the transfer	Continuous delivery of security screening operations, as well as corporate support functions at headquarters	Monitoring of transition plans Various performance data regularly reviewed and reported by CATSA
Secure Adequate Wind Up Resources	Adequate funding to carry out critical wind up activities CATSA actively engaged in advocating for appropriate funding from the Government of Canada for wind up activities	Funding for CATSA to carry out wind up activities	Funding from the Government of Canada

President and Chief Executive Officer Commitment

As President and Chief Executive Officer of the Canadian Air Transport Security Authority, I am accountable to the Board of Directors for the implementation of the objectives and initiatives described in this Corporate Plan and outlined in this Appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.

A handwritten signature in black ink, appearing to read 'Michael Saunders', is positioned above a horizontal line.

Michael Saunders
President and Chief Executive Officer
The Canadian Air Transport Security Authority

September 30, 2019
Date

APPENDIX D: Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of the Canadian Air Transport Security Authority (CATSA), accountable to the Board of Directors of CATSA through the Chief Executive Officer, I have reviewed the 2019/20 Corporate Plan and budgets, and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered.
4. Funding is sufficient to address the financial requirements for the 2019/20 fiscal year of the Corporate Plan. Notably through Budget 2019, the Government of Canada announced its intention to introduce legislation that would enable the government to sell the assets and liabilities of CATSA to an independent, not-for-profit entity. The Corporate Plan has been developed based on a targeted sale transaction date of April 1, 2020.
5. The Corporate Plan and budgets are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the Corporate Plan).
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operations of CATSA.

In my opinion, the financial information contained in this Corporate Plan is sufficient overall to support decision-making.



Nancy Fitchett, CPA, CA
A/Vice-President, Corporate Affairs and Chief Financial Officer
The Canadian Air Transport Security Authority

September 30, 2019
Date

APPENDIX E: Financial Statements and Budgets

Financial Statement Highlights

CATSA's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the Accounting Standards Board of Canada (AcSB).

New Accounting Standards

Effective April 1, 2019, CATSA adopted IFRS 16 *Leases*. This standard specifies how to recognize, measure, present and disclose leases. It provides a single lessee model, requiring lessees to recognize right-of-use assets and lease liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

IFRS 16 has a significant impact on CATSA's financial statements. CATSA's *pro forma* Statement of Financial Position identifies the estimated right-of-use assets and lease liabilities resulting from the new standard. Corresponding impacts have been identified throughout the *pro forma* financial statements.

Disposals

CATSA manages its assets, including asset disposal, as part of a life-cycle management regime or as part of new technology requirements. The disposal of assets is governed by corporate policy and procedures that ensure compliance with applicable legislation and regulations concerning the disposal of Crown assets. In the notes to the financial statements, CATSA discloses contingent liabilities associated with the removal of Explosives Detection System equipment from airports across Canada, some of which contains hazardous materials, as well as the restoration of facilities contractually required under lease agreements.

Pending the results of negotiations between the new designated screening authority and the Government of Canada, proceeds from disposal in 2019/20 are not expected to be material. Accordingly, such amounts have not been included in the planning period. Disposals, and any proceeds from disposals, will be accounted for in accordance with IFRS.

Financial Statements

Note: Financial information and balances as at March 31, 2020 are presented consistently with historical periods and do not reflect the accounting and/or presentation changes that may be required as a result of the sale of CATSA's assets to the designated screening authority.

Statement of Financial Position

Statement of Financial Position	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
ASSETS							
Current assets							
Cash	\$ 9,929	\$ 4,007	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Trade and other receivables	136,506	145,490	143,601	-	-	-	-
Inventories	16,401	15,305	12,407	-	-	-	-
Prepaid expenses	3,133	3,253	2,571	-	-	-	-
Derivative financial assets	360	495	-	-	-	-	-
	\$ 166,329	\$ 168,550	\$ 168,579	\$ -	\$ -	\$ -	\$ -
Non-current assets							
Property and equipment and intangible assets							
EDS	\$ 406,492	\$ 449,193	\$ 518,233	\$ -	\$ -	\$ -	\$ -
Non-EDS	18,611	22,046	29,280	-	-	-	-
	\$ 425,103	\$ 471,239	\$ 547,513	\$ -	\$ -	\$ -	\$ -
Right-of-use assets	\$ -	\$ -	\$ 22,663	\$ -	\$ -	\$ -	\$ -
Employee benefits asset	5,030	5,728	1,241	-	-	-	-
Derivative financial assets	24	42	-	-	-	-	-
	\$ 596,486	\$ 645,559	\$ 739,996	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND EQUITY							
Current liabilities							
Trade and other payables	\$ 132,868	\$ 129,719	\$ 136,569	\$ -	\$ -	\$ -	\$ -
Holdbacks	9,349	12,433	8,150	-	-	-	-
Lease liabilities	-	-	3,558	-	-	-	-
Deferred government funding related to operating expenses	19,534	18,558	14,978	-	-	-	-
	\$ 161,751	\$ 160,710	\$ 163,255	\$ -	\$ -	\$ -	\$ -
Non-current liabilities							
Holdbacks	\$ 4,338	\$ 7,767	\$ 9,257	\$ -	\$ -	\$ -	\$ -
Deferred lease incentives	442	482	-	-	-	-	-
Lease liabilities	-	-	19,830	-	-	-	-
Deferred government funding related to capital expenditures	424,026	469,732	546,260	-	-	-	-
Employee benefits liability	28,402	30,507	58,563	-	-	-	-
	\$ 457,208	\$ 508,488	\$ 633,910	\$ -	\$ -	\$ -	\$ -
Equity							
Accumulated Deficit	\$ (22,473)	\$ (23,639)	\$ (57,169)	\$ -	\$ -	\$ -	\$ -
	\$ 596,486	\$ 645,559	\$ 739,996	\$ -	\$ -	\$ -	\$ -

Statement of Comprehensive Income (Loss) and Equity

Statement of Comprehensive Income (Loss) and Equity	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Expenses							
Pre-Board Screening	\$ 396,411	\$ 443,997	\$ 463,282	\$ -	\$ -	\$ -	\$ -
Hold Baggage Screening	148,748	158,729	171,495	-	-	-	-
Non-Passenger Screening	133,402	137,634	151,270	-	-	-	-
Restricted Area Identity Card Program	3,234	3,045	3,503	-	-	-	-
Corporate services	43,233	46,061	54,266	-	-	-	-
Total expenses	\$ 725,028	\$ 789,466	\$ 843,816	\$ -	\$ -	\$ -	\$ -
Other expenses (income)							
Write-off of property and equipment and intangible assets	\$ 1,097	\$ 528	\$ -	\$ -	\$ -	\$ -	\$ -
Loss (gain) on disposal of property and equipment	518	611	-	-	-	-	-
Foreign exchange loss	479	(620)	-	-	-	-	-
Net (gain) loss on fair value of derivative financial instruments	(53)	(153)	537	-	-	-	-
Finance costs	256	4	498	-	-	-	-
Total other expenses (income)	\$ 2,297	\$ 370	\$ 1,035	\$ -	\$ -	\$ -	\$ -
Revenue							
Supplemental screening services	\$ 13,924	\$ 11,726	\$ 11,072	\$ -	\$ -	\$ -	\$ -
Other income	1,745	988	-	-	-	-	-
Total revenue	\$ 15,669	\$ 12,714	\$ 11,072	\$ -	\$ -	\$ -	\$ -
Financial performance before government funding	\$ 711,656	\$ 777,122	\$ 833,779	\$ -	\$ -	\$ -	\$ -
Government funding							
Parliamentary appropriations for operating expenses	\$ 645,498	\$ 704,049	\$ 756,009	\$ -	\$ -	\$ -	\$ -
Parliamentary appropriations for lease obligations	-	-	3,950	-	-	-	-
Amortization of deferred government funding related to capital expenditures	60,525	65,147	65,364	-	-	-	-
Total government funding	\$ 706,023	\$ 769,196	\$ 825,323	\$ -	\$ -	\$ -	\$ -
Financial performance	\$ (5,633)	\$ (7,926)	\$ (8,456)	\$ -	\$ -	\$ -	\$ -
Other comprehensive income (loss)							
Item that will not be reclassified to financial performance							
Remeasurement of defined benefit plans	\$ (11,633)	\$ 6,760	\$ (25,074)	\$ -	\$ -	\$ -	\$ -
Total comprehensive income (loss)	\$ (17,266)	\$ (1,166)	\$ (33,530)	\$ -	\$ -	\$ -	\$ -
Equity							
Accumulated deficit, beginning of year	\$ (5,207)	\$ (22,473)	\$ (23,639)	\$ -	\$ -	\$ -	\$ -
Total comprehensive income (loss)	(17,266)	(1,166)	(33,530)	-	-	-	-
Accumulated deficit, end of year	\$ (22,473)	\$ (23,639)	\$ (57,169)	\$ -	\$ -	\$ -	\$ -

Statement of Cash Flows

Statement of Cash Flows	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Cash flows provided by (used in)							
Operating activities							
Financial performance	\$ (5,633)	\$ (7,926)	\$ (8,456)	\$ -	\$ -	\$ -	\$ -
Items not involving cash							
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets	58,948	64,151	69,266	-	-	-	-
Increase (decrease) in net employee benefits liability	6,489	8,167	7,469	-	-	-	-
Write-off of property and equipment	1,097	528	-	-	-	-	-
Loss on disposal of property and equipment	518	611	-	-	-	-	-
Amortization of deferred government funding related to capital expenditures	(60,525)	(65,147)	(65,364)	-	-	-	-
Other non-cash transactions	(735)	18	-	-	-	-	-
Deferred lease incentives recognized in financial performance	(246)	(101)	-	-	-	-	-
Change in fair value of financial instruments at fair value through profit and loss	(53)	(153)	537	-	-	-	-
Net change in non-cash working capital balances	(41,563)	30,570	5,993	-	-	-	-
	\$ (41,703)	\$ 30,718	\$ 9,445	\$ -	\$ -	\$ -	\$ -
Investing activities							
Parliamentary appropriations received for capital funding	\$ 77,409	\$ 87,292	\$ 141,845	\$ -	\$ -	\$ -	\$ -
Purchase of property and equipment and intangible assets:							
EDS	(59,136)	(116,091)	(129,550)	-	-	-	-
Non-EDS	(2,920)	(7,872)	(12,295)	-	-	-	-
Proceeds on disposal of property and equipment	12	31	-	-	-	-	-
	\$ 15,365	\$ (36,640)	\$ -	\$ -	\$ -	\$ -	\$ -
Financing activities							
Lease payments	\$ -	\$ -	\$ (3,452)	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ (3,452)	\$ -	\$ -	\$ -	\$ -
(Decrease) increase in cash	\$ (26,338)	\$ (5,922)	\$ 5,993	\$ -	\$ -	\$ -	\$ -
Cash, beginning of year	\$ 36,267	\$ 9,929	\$ 4,007	\$ -	\$ -	\$ -	\$ -
Cash, end of year	\$ 9,929	\$ 4,007	\$ 10,000	\$ -	\$ -	\$ -	\$ -

Reconciliation of Financial Performance (IFRS) to Operating Appropriations Used

Reconciliation of Financial Performance to Operating Appropriations Used	Actual	Actual	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Financial performance before government funding	\$ 711,656	\$ 777,122	\$ 833,779	\$ -	\$ -	\$ -	\$ -
Non-cash expenses							
Depreciation and amortization	(58,948)	(64,151)	(69,266)	-	-	-	-
Employee benefits expense	(6,489)	(8,167)	(7,469)	-	-	-	-
Write-off of property and equipment and intangible assets	(1,097)	(528)	-	-	-	-	-
Loss on disposal of property and equipment	(518)	(611)	-	-	-	-	-
Non-cash (loss) gain on foreign exchange recognized in financial performance	(140)	148	-	-	-	-	-
Other non-cash transactions	735	(18)	-	-	-	-	-
Deferred lease incentives recognized in financial performance	246	101	-	-	-	-	-
Change in fair value of derivative financial instruments at fair value through profit and loss	53	153	(537)	-	-	-	-
Finance costs	-	-	(498)	-	-	-	-
Parliamentary appropriations for operating expenses	\$ 645,498	\$ 704,049	\$ 756,009	\$ -	\$ -	\$ -	\$ -
Other items affecting funding							
Net change in prepaids and inventories	\$ 809	\$ (976)	\$ (3,580)	\$ -	\$ -	\$ -	\$ -
Total operating appropriations used	\$ 646,307	\$ 703,073	\$ 752,429	\$ -	\$ -	\$ -	\$ -

Operating and Capital Plans

Operating

Operating Plan by Major Expenditure Category	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2017/18	2018/19	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
OPERATING EXPENDITURES								
Screening Services and Other Related Costs								
Payments to Screening Contractors	\$ 534,553	\$ 585,666	\$ 587,829	\$ 623,328	\$ -	\$ -	\$ -	\$ -
Uniforms and Other Screening-Related Costs	6,200	4,971	6,161	6,947	-	-	-	-
Trace and Consumables	2,346	3,027	2,714	2,866	-	-	-	-
Total Screening Services and Other Related Costs	\$ 543,099	\$ 593,664	\$ 596,704	\$ 633,141	\$ -	\$ -	\$ -	\$ -
Equipment Operating and Maintenance								
Equipment Maintenance and Spare Parts	\$ 38,342	\$ 39,379	\$ 37,799	\$ 38,958	\$ -	\$ -	\$ -	\$ -
Training and Certification	412	1,567	1,474	2,513	-	-	-	-
RAIC Cards	644	431	300	1,000	-	-	-	-
Total Equipment Operating and Maintenance	\$ 39,398	\$ 41,377	\$ 39,573	\$ 42,471	\$ -	\$ -	\$ -	\$ -
Program Support and Corporate Services								
Employee Costs	\$ 54,258	\$ 54,876	\$ 57,612	\$ 60,435	\$ -	\$ -	\$ -	\$ -
Office and Computer Expenses	5,121	7,778	6,294	7,273	-	-	-	-
Professional Services	4,837	4,283	5,088	10,441	-	-	-	-
Rent and Facilities	6,875	6,261	6,822	3,197	-	-	-	-
Travel and Other Business-Related Costs	1,762	2,088	2,244	2,317	-	-	-	-
Network and Telephony	3,307	3,320	3,232	2,250	-	-	-	-
Communications and Public Awareness	1,370	1,203	1,037	1,101	-	-	-	-
Insurance and Other Administrative Costs	825	1,015	826	875	-	-	-	-
Total Program Support and Corporate Services	\$ 78,355	\$ 80,824	\$ 83,155	\$ 87,889	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 660,852	\$ 715,865	\$ 719,432	\$ 763,501	\$ -	\$ -	\$ -	\$ -
Revenue and Other Income								
Supplemental Screening Services	\$ (13,924)	\$ (11,726)	\$ (11,736)	\$ (11,072)	\$ -	\$ -	\$ -	\$ -
Foreign Exchange Loss / (Gain)	63	(72)	-	-	-	-	-	-
Other Income	(684)	(994)	-	-	-	-	-	-
Total Revenue and Other Income	\$ (14,545)	\$ (12,792)	\$ (11,736)	\$ (11,072)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 646,307	\$ 703,073	\$ 707,696	\$ 752,429	\$ -	\$ -	\$ -	\$ -

2018/19 Financial Results

Operating expenditures (net of revenue and other income), were \$4.6 million lower than the Corporate Plan budget of \$707.7 million. The variance is partly driven by unused operating budget of \$2.1 million resulting from delays in the implementation of U.S. Pre-Clearance checkpoints at the Quebec City and Toronto City Center airports due to factors beyond CATSA's control. The variance is also attributable to lower spending for screening officer uniforms, benefitting from higher inventory levels at the end of the prior year, and lower employee costs associated with fewer staffed positions. These decreases were partially offset by additional costs for Equipment Maintenance and Spare Parts, mainly due to increased spare part requirements to support new and existing EDS equipment, and for Office and Computer Expenses, due to the purchase of additional hardware and software to support CATSA's IT network infrastructure and systems.

Operating expenditures by program activity also varied slightly from budget. This is mainly due to the reallocation of the majority of unused NPS screening hour budget of approximately \$10 million, to PBS operations. The underspending is mainly driven by delays in the completion of the construction of permanent vehicle facilities, and the reduction in scheduling requirements at certain airports. This reallocation enabled CATSA to manage increased operational requirements at PBS checkpoints at certain airports over the course of the year while delivering a wait time service level of, on average, 92.2% of all passengers waiting 15 minutes or less to be screened at Class I airports in 2018/19.

2019/20 Financial Plan Highlights

Screening Services and Other Related Costs increase in 2019/20 from 2018/19 levels, mainly to reflect the impact of annual passenger growth and screening contractor billing rate increases. The increase is also attributable to additional screening coverage to support the introduction of Full Body Scanners as a primary screening method at transborder checkpoints at the four largest Class I airports.

Equipment Operating and Maintenance costs also increase in 2019/20 compared to the prior year. The increase is mainly attributable to greater training and certification requirements of CATSA's maintenance service provider to support EDS deployments, and a planned bulk purchase of RAIC Cards to replenish inventory.

Program Support and Corporate Services costs increase in 2019/20 from 2018/19 levels. This is largely due to the additional \$5.5 million (net of the \$3 million reallocation to Transport Canada) granted to CATSA through Budget 2019 to support the transfer. These funds are budgeted mainly to Professional Services for external expertise in areas associated with the transfer. In addition, the increase is attributable to higher Employee Costs, reflecting lower projected vacancy levels as CATSA re-directs more resources to the staffing function, and an increase in FTE positions to strengthen CATSA's operational capacity as it becomes critical to the organization's ability to manage passenger growth and an increasing screening officer workforce. CATSA's FTE workforce consists of 448 approved positions in 2019/20. These increases are partially offset by a decrease in Rent and Facilities due to the re-classification of a portion of the lease payments to the capital budget starting April 1, 2019, in order to comply with TBS guidance related to IFRS 16 *Leases*.

Capital

Capital Plan by Major Initiative	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2017/18	2018/19	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
CAPITAL EXPENDITURES								
Explosives Detection Systems (EDS)								
PBS								
Capital Life-cycle Management	\$ 2,421	\$ 737	\$ 931	\$ 2,173	\$ -	\$ -	\$ -	\$ -
New Technology / Deployments	19,116	17,600	17,669	12,742	-	-	-	-
Other PBS	276	37	860	859	-	-	-	-
Total PBS	\$ 21,813	\$ 18,374	\$ 19,460	\$ 15,774	\$ -	\$ -	\$ -	\$ -
HBS								
Capital Life-cycle Management	\$ 49,424	\$ 80,925	\$ 113,393	\$ 108,658	\$ -	\$ -	\$ -	\$ -
New Technology / Deployments	235	48	900	1,245	-	-	-	-
Other HBS	(485)	3,655	4,575	3,812	-	-	-	-
Total HBS	\$ 49,174	\$ 84,628	\$ 118,868	\$ 113,715	\$ -	\$ -	\$ -	\$ -
NPS								
Capital Life-cycle Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Technology / Deployments	1,685	(21)	1,058	61	-	-	-	-
Total NPS	\$ 1,685	\$ (21)	\$ 1,058	\$ 61	\$ -	\$ -	\$ -	\$ -
Total EDS	\$ 72,672	\$ 102,981	\$ 139,386	\$ 129,550	\$ -	\$ -	\$ -	\$ -
Non-EDS								
Leases	\$ -	\$ -	\$ -	\$ 3,998	\$ -	\$ -	\$ -	\$ -
BPSS and SITT/ITTIP	416	531	842	836	-	-	-	-
RAIC	94	2,679	3,520	5,489	-	-	-	-
Other various projects	2,410	4,662	6,423	5,969	-	-	-	-
Total Non-EDS	\$ 2,920	\$ 7,872	\$ 10,785	\$ 16,292	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 75,592	\$ 110,853	\$ 150,171	\$ 145,842	\$ -	\$ -	\$ -	\$ -

2018/19 Financial Results

Capital expenditures were in the amount of \$110.9 million, compared to the Corporate Plan budget of \$150.2 million.

The major projects contributing to the variance of \$39.3 million are as follows:

- HBS integration projects (\$28.7 million) mainly due to delays in integration work and equipment purchases to align with revised airport project plans, and to a reduced scope for certain Class II airport projects.
- Other EDS and non-EDS projects (\$10.6 million) delays and underspending in various projects, including \$2.9 million associated with the implementation of pre-clearance operations at two Class II airports due to delays in finalizing their respective negotiations with U.S. Border Control.

Based on the above capital spending delays, CATSA has re-profiled \$37.9 million to 2019/20.

2019/20 Financial Plan Highlights

The life-cycle management of CATSA's EDS equipment and systems continues to be a key corporate priority and represents a significant portion of the capital spending in 2019/20. Moreover, the conversion of CATSA's legacy HBS systems continues to be the focal point of the life-cycle management program with deployments planned for 2019/20 at several of CATSA's busiest airports and at a number of Class II airports. The life-cycle management plan also includes the ongoing replacement of CATSA's existing Explosives Trace Detection systems at PBS, HBS and NPS checkpoints as the units reach the end of their useful lives.

As a key corporate initiative, CATSA will continue to deploy new CATSA Plus lines at Canada's busiest airports. These deployments will bring the total number of CATSA Plus lines to 84 by March 31, 2020.

Finally, CATSA's capital plan also provides for the upgrade of several of CATSA's non-Explosives Detection Systems, including the RAIC enrollment and the screening officer training systems, as well as the continued life-cycle management of CCTV cameras. The capital plan also includes annual lease payments following the adoption of the new accounting standard IFRS 16 *Leases*.

APPENDIX F: Borrowing Plan

Approval for Upcoming Leases

CATSA is not seeking Ministerial approval for any lease transactions at this time. However, in the event that the sale transaction date is postponed, CATSA may need to obtain approval to enter in or renew certain leases.

APPENDIX G: Risks and Risk Responses

Overview

As a key member of the Canadian civil aviation security system, CATSA is exposed to a variety of risks that may impact the organization's ability to fulfill its mandate. Specific responses to aviation security threats and risks are mandated by Transport Canada and implemented by CATSA. In addition to intelligence-related threat information overseen by Transport Canada, CATSA conducts various risks assessments pertaining to its corporate strategies and operations.

CATSA's key risks are presented in its annual Corporate Risk Profile (CRP), which is a snapshot of those risks that could impede the organization's ability to reach its strategic objectives. Management and the Board of Directors pay closest attention to those risks related to the effectiveness of screening, as security is CATSA's top priority. The risk information contained in CATSA's 2018/19 CRP was used to inform this Corporate Plan.

Mandated Services Risk

Detection capability

Aviation security is CATSA's top priority. Screening equipment is approved and detection standards are set by Transport Canada. While CATSA endeavours to meet these standards, there is a risk that CATSA may not have the technology, the threat and risk information, processes or human factor capability to detect all high risk threat items, which may result in substantial consequences to the civil aviation system.

To address this risk, CATSA continually works to review, test and improve the effectiveness of its operational processes and procedures, and maintains a capital program to support the replacement and upgrading of screening equipment.

Capacity Risk

CATSA staff capacity

CATSA's streamlined corporate structure has made the organization leaner, however, at current human resource levels, the organization may face challenges in effectively managing the increasing workload due largely to higher passenger volumes. There is a risk that CATSA's current staff capacity may be inadequate to sustain current workloads and to support a healthy work environment.

To address this risk, the organization monitors current vacancy levels in order to prioritize staffing actions and may use fixed-term resources to alleviate workload pressures in corporate support services.

The recent decision regarding CATSA's transfer to an independent not-for-profit entity may cause this risk to evolve, as staff continue to manage their current workloads, while also handling any new tasks that arise related to the transfer process. The organization will monitor this risk closely and adjust, as required.

Level of government funding to deliver core mandate

CATSA's current reference levels have remained flat and the organization has been relying on one year supplemental funding to fill the funding gap. This may impact the delivery of its core mandate and the level of service to the travelling public.

Budget 2019 included \$288 million in incremental supplemental funding for 2019/20. The supplemental funding for 2019/20 will allow CATSA to target a WTSL where, on average, 85% of all passengers are waiting 15 minutes or less to be screened at Class I airports on an annual basis, and to continue to deliver its current enhanced Non-Passenger Screening program.

Service Delivery through Third-Party Risk

Legal or Illegal Labour Disruptions

CATSA outsources its services to screening contractors, who rely on a unionized screening officer workforce. CATSA has no direct role in labour relations and relies upon its screening contractors to establish collective bargaining agreements and manage labour relations with their unions. The majority of the collective bargaining agreements between screening contractors and unions expired on March 31, 2018, and the collective bargaining renewal process is still underway. There is a risk that illegal labour disruptions may occur as a result of union activity and/or CATSA may have limited capacity or resilience to respond to a legal labour disruption event.

To address this risk, CATSA continually monitors labour issues between screening contractors and the unions representing screening officers and keeps Transport Canada apprised of developments.

In the event of a legal or illegal labour disruption, CATSA has prepared labour contingency plans with operational, legal and communications components.

Service delivery model – outsourcing of screening services and equipment maintenance services

CATSA is fully dependent on screening contractors for delivering critical and mandated screening services and is primarily dependent on outsourced maintenance service providers for the maintenance of screening equipment. There is a risk that CATSA's business model for outsourced screening services and equipment maintenance may result in service delivery impacts in the event that a contractor is no longer able to willing to provide the agreed upon services.

To address this risk, CATSA continually monitors screening contractor performance and has developed a screening contractor relationship management framework, which promotes a systematic and collaborative relationship between CATSA and the screening contractors. As well, alternate maintenance arrangements have been put in place to ensure continuity of screening equipment maintenance services.

Stakeholder Relations

There is a risk that CATSA's reputation may be damaged with its stakeholders resulting in loss of public trust or potential increased complaints.

To address this risk, CATSA continues to improve the passenger experience, promoting a customer service-oriented culture. CATSA regularly liaises with industry stakeholders and has implemented a variety of communication strategies such as conducting passenger intercept surveys and the expanded use of social media to engage its multiple stakeholder groups.

Human Resources Risk

Employee recruitment

CATSA endeavours to recruit the best talent available, however, there is a risk that the organization may experience challenges in recruiting key or specialized talent. This may be due to labour market conditions for talent or due to CATSA's overall corporate Human Resources strategies.

To address this risk, the organization has implemented a number of initiatives to ensure competitive total compensation packages and has expanded its recruitment strategies to include specialized advertising for unique or key talent.

Employee retention

CATSA strives to maintain an engaged, high performing workforce. There is a risk that CATSA's corporate strategies may impede the organization's ability to retain talent in key and specialized positions.

To address this risk, the organization is focusing on initiatives to retain talent including its talent management and management development programs. The organization has recently implemented a Diversity and Inclusion Framework, which aims to integrate diversity and inclusion values and practices into existing corporate processes.

Information Technology (IT) Risk

Cyber Attacks on IT Infrastructure

Government departments, agencies and Crown corporations are constantly exposed to a variety of cyber threats to their IT infrastructure. There is a risk that cyber threats and/or attacks may negatively impact CATSA's IT infrastructure and/or compromise organizationally sensitive information resulting in a loss of public confidence and potential damage to CATSA's reputation.

To address this risk, the organization has a variety of devices, systems, processes and procedures to safeguard the organization's IT infrastructure.

Other Risks

Seamless Transfer

In Budget 2019, the Government of Canada announced its intention to introduce legislation to enable the creation of an independent not-for-profit corporation, to be established by industry, which will assume the responsibility for aviation screening at Canada's airports. The government followed through with this commitment by tabling the *Security Screening Services Commercialization Act* as part of the *Budget Implementation Act* in April 2019. As CATSA is playing a supporting role in this transition, there is a risk that the organization may not have direct access to the pertinent information required to enable a seamless transfer to the new entity by the targeted deadline. CATSA will address this risk by continuing to pro-actively plan, assess and advise Transport Canada on several business impacts related to the transfer.

Impacts on Wait Time Service Levels

Since CATSA is committed to never compromising security standards, the most direct and significant impact of insufficient funding is on increased passenger wait times.

In order to evaluate the impact of various funding options on PBS WTSL, CATSA developed an enhanced Wait Time Impact Model (WTIM) in 2013/14. This WTIM incorporates elements of queuing theory and scheduling optimization techniques to accurately estimate funding levels required to achieve an annual, national average service level at PBS. It also demonstrates WTSL without additional funding. During its development, the WTIM was shared with and validated by Transport Canada, and central agencies were consulted.

Budget 2018 provided CATSA with one-year supplemental funding for 2018/19 totalling \$240.6 million to allow the organization to target a WTSL of 85/15 and to maintain its Enhanced NPS program for the fiscal year. Subsequently, Budget 2019 provided CATSA with \$288 million to continue to secure critical elements of the air transportation system, while targeting a WTSL of 85/15, and continuing the Enhanced NPS program in 2019/20.

APPENDIX H: Compliance with Legislative and Policy Requirements

Legislative and Regulatory Frameworks

A number of federal legislative, regulatory and policy frameworks establish the foundation that CATSA uses to develop its Standard Operating Procedures (SOPs) and related training programs to guide screening officers in the performance of their duties. Other legislation and Treasury Board of Canada directives of government-wide application address such issues as financial accountability, official languages, impact assessments, privacy, access to information, and multiculturalism. The main legislative and regulatory frameworks are set out below:

- ***Aeronautics Act***—Defines all aspects of the Canadian aeronautics system, outlines the authority for creating security regulations and the Minister’s power to create security measures, authorizes the designation of a screening officer, and states that no person will board an aircraft unless submitted to a search of their person and belongings.
- ***CATSA Act***—Establishes CATSA’s role in screening at airports listed in the *CATSA Aerodrome Designation Regulations*, and in a manner ensuring consistent delivery of service across the country and acting in the interest of the general and travelling public.
- ***Transportation Modernization Act***—Among several provisions, provides authority to the Minister to establish regulations that strengthen air passenger rights and to allow entities such as airports or airlines to facilitate enhanced passenger movement by securing from CATSA new or additional screening services on a cost-recovery basis.
- ***Canadian Aviation Security Regulations, 2012***—Set out requirements of general application to CATSA, aerodrome operators, air carriers and the general public; define aspects such as the screening of persons, goods, things and vehicles, the control of access to restricted areas, and response to threats against aircraft or a flight; and set out designation standards for screening officers.
- ***Screening Security Measures***—Establish confidential requirements related to CATSA’s mandated programs and activities for PBS, HBS, NPS and RAIC.
- ***Financial Administration Act (FAA), Part X***—Sets the control and accountability framework for Crown corporations, including CATSA.
- ***Official Languages Act***—Specifies the rights and linguistic principles applicable to English and French in Canada and the authorities and obligations of the Government of Canada with respect to the use of the two languages as languages of work in the federal government and the development of official language minority communities.
- ***Access to Information Act***—Provides a right of access to information in records under the control of a federal institution.
- ***Privacy Act***—Governs personal information handling practices of federal institutions.
- ***Canadian Human Rights Act***—Promotes equal opportunity to individuals who may be subject to discriminatory practices based on a set of prohibited grounds.

- ***Employment Equity Act***—Sets out requirements for federal institutions to engage in proactive employment practices to increase the representation of four designated groups: women, people with disabilities, Indigenous peoples, and visible minorities.
- ***Canadian Multiculturalism Act***—Provides a legislative framework for federal multiculturalism policies.
- ***Public Servants Disclosure Protection Act***—Creates disclosure reprisal complaints processes governing reporting of alleged wrongdoing by a public servant.
- ***Impact Assessment Act*** (replacing the *Environmental Assessment Act*)—Prescribes authorities, obligations and processes governing the assessment of federal projects and proposals, addressing environmental, health, socio-economic and other effects.
- ***Treasury Board of Canada Directives***—Set out government-wide policy and administrative requirements and obligations, including those applying to travel and hospitality, official languages, and pension.

Financial Administration Act Directives

While CATSA continually remains in conformity with obligations and guidance under the *Financial Administration Act*, occasionally special Directives are issued, commanding focused attention from CATSA, as with the cases below.

Public Sector Pension Reform

In December 2014, CATSA was issued a directive (PC 2014-1382) pursuant to section 89 of the *Financial Administration Act* (FAA) to align with Budget 2013 direction on public sector pension reform. The pension reform included a provision for adjusting the employer/employee current service cost-sharing ratio to 50:50 by December 31, 2017.

In July 2015, CATSA received notification that an exemption was available to pension plans that could demonstrate either unfairness to pension plan members or recruitment and retention challenges as a result of implementing the pension reform. Following this notification, CATSA began working with its external pension actuary to draft a business case for an exemption on the basis that the pension reform would be unfair to plan members. It is CATSA's view that its business case demonstrates that closing of the defined benefit pension plan in 2013 would result in an unfair cost-sharing burden on employees, and that the cost-sharing ratio should be calculated as if the plan were open to new members.

CATSA submitted the final version of its business case to Transport Canada in May 2017, with the understanding that it would be approved by the December 31, 2017, deadline. In December 2017, Transport Canada advised that the business case would not be approved by the deadline due to processing delays. The Governor in Council subsequently approved the Order in Council P.C. 2019-783 on June 13, 2019, effectively approving CATSA's Pension Directive Deviation.

As of January 1, 2018, CATSA aligned its employee contribution rates with the objectives identified in the business case. CATSA will continue to report the status of pension plans through the Corporate Plan.

Travel and Hospitality

As part of CATSA's commitment to open and accountable governance, CATSA confirms that its Travel, Hospitality, Conferences and Event Expenditures Policy is in compliance with directive PC 2015-1114, pursuant to section 89 of the FAA, which requires CATSA's policies, guidelines and practices to be aligned with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations. This policy is available on CATSA's website.

CATSA reports travel and hospitality expenses through proactive disclosure. This disclosure is aligned with the Treasury Board standard for expenditures incurred commencing January 1, 2016.

Official Languages Act

Under Part IV of the *Official Languages Act*, CATSA is required to provide screening services to the travelling public in both official languages at airports with one million or more passengers, and at airports where there is a significant demand for services in the minority language.

In an effort towards continuous improvement, CATSA surveys passengers across the country on a quarterly basis to verify if they were served in their preferred language. Survey results, along with compliance measurement reports and complaints, are analyzed and used to improve front-line performance.

CATSA remains committed to promoting a bilingual work environment. CATSA continues to remind its employees nation-wide that promoting an inclusive, bilingual culture in the workplace is a team effort.

Access to Information Act and Privacy Act

CATSA strives to incorporate the legislative obligations under the *Privacy Act* and the 10 principles of the Canadian Standards Association Model Code into every program and activity that it develops. CATSA is subject to the *Access to Information Act* and the *Privacy Act* and strives to meet both the spirit and the legal requirements of these two Acts.

During the first two quarters of fiscal year 2018/19, ATIP and Privacy related training was delivered to CATSA employees in various training sessions. Thirty-three employees received orientation training, two employees received ATIP training and forty-eight employees received privacy training.

Ad hoc training on a variety of subjects was also provided as needed to individuals throughout the organization.

Protection of Federal Assets

As with all federal departments and agencies, CATSA is committed to ensuring the responsible acquisition, maintenance and ultimate replacement of its valuable screening equipment and related technologies and systems. CATSA's life-cycle management plans ensure that a comprehensive approach is taken to the proper protection of federal assets, to ensure optimal value for money for the duration of the planned economic life of the equipment.

APPENDIX I: Government of Canada Priorities and Directions

CATSA is committed to complying with and actively supporting relevant broader objectives, priorities, values and principles of the Government of Canada, as set out in the Speech from the Throne, the government's Budget Plans, and Mandate letters from the Prime Minister to the Minister of Transport and from the Minister of Transport to the Chairperson of CATSA's Board of Directors.

Following are key initiatives that will be actively pursued and supported throughout the planning period and, in most cases, on an ongoing basis.

Keeping Canadians Safe

Consistent with the Government of Canada's commitment to keeping Canadians safe, CATSA protects the travelling Canadian public by securing critical elements of the civil air transportation system, as assigned by the government. CATSA takes its mandate very seriously, continuously striving to provide leadership in security screening while adapting to the evolving security environment.

In addition to making continuous improvements in the effectiveness, efficiency and consistency of security screening at designated airports on an ongoing basis, CATSA contributes to the sharing of best practices and technologies for security screening with international partners and counterparts. The organization also supports Transport Canada in their periodic updating and strengthening of the aviation security Standards and Recommended Practices developed and promulgated by ICAO, the UN body responsible for global civil aviation.

CATSA will follow through on commitments that may flow from Transport Canada's Aviation Security (AVSEC) Review, which focused on exploring ways to make Canada's civil aviation security system more relevant, effective and flexible, through:

- *Dynamic and adaptive security* that integrates risk management criteria into aviation security policy decisions.
- *Stronger partnerships across complex systems*, emphasizing interoperability and information sharing among aviation stakeholders.
- *Smarter technology and enhanced infrastructure* that leverages science and innovation while safeguarding the security of Canadians.
- *Security beyond the Canadian border* aimed at enhancing and facilitating the secure and efficient movement of people and goods outside of Canada.

Transportation 2030: A Strategic Plan for the Future of Canada's Transportation System

Transportation 2030—the Government of Canada's vision and longer-term plan to build a national transportation system that supports "economic growth, job creation and Canada's middle class"—sets out five broad goal themes, three of which have significant implications for CATSA and its role in safe and efficient air passenger travel: 1) *The Passenger*—providing greater choice, better service, lower costs and enhanced rights; 2) *Safer Transportation*—harmonizing global standards, consulting with industry, and contributing to enhanced safety and security; and 3) *Green and Innovative Transportation*—embracing new technologies, supporting innovation, and focusing on trade corridors and shared ways of moving goods and people.

Transparency and Open Government

The Prime Minister's mandate letter to the President of the Treasury Board set out the Government of Canada's commitment to "set a higher bar for openness and transparency," with the goal of "shining more light on government to ensure it remains focused on the people it serves." Emphasizing the importance of the government making its information "open by default," the government has directed and encouraged all federal departments and agencies to adopt practices of openness and transparency. This begins, but does not end, with faithful and timely compliance with obligations under the *Access to Information Act* and the *Privacy Act*, and related *Treasury Board of Canada* directives.

CATSA proactively maintains a comprehensive public information and awareness program, including:

- Sharing of wait times.
- Quarterly surveys of travellers.
- Publication of critical bulletins, information materials and periodic reports on CATSA policies, procedures and evolving issues.
- An information website with mechanisms for public and stakeholder enquiries and feedback.
- Active consultations and engagement with industry, passengers and other stakeholders.
- Annual Public Meetings.
- Tabling of Annual Reports in Parliament.
- Response to enquiries and requests for information from Parliamentary Committees, the Auditor General, and other Government and Parliamentary authorities.

Diversity, Inclusion, Employment Equity

CATSA is deeply committed to supporting the Government of Canada's objectives to build a workforce that reflects the diversity of Canada's population. To that end, CATSA's *Employment Equity Plan 2018–2021: Securing a Culture of Inclusion* sets out CATSA's employment equity numerical goals, commitments and performance measurements. The *Employment Equity Plan* emphasizes increasing internal representation of designated population groups, and of all genders, through hiring, talent and career development, and promotion. These efforts, complemented by CATSA's *Code of Ethics, Conduct and Conflict of Interest*, are designed to foster and reinforce a safe, respectful and welcoming work environment for all.

CATSA's commitments to diversity, inclusion, and employment equity are also supported by the adoption of workplace policies and practices that ensure employees from diverse backgrounds have access to reasonable accommodation of their diverse values and traditions.

Progress towards meeting diversity and employment equity goals is actively measured, monitored and evaluated. CATSA produces and submits an annual report on its fulfillment of the *Employment Equity Act* and the *Canadian Multiculturalism Act*. An internal CATSA Diversity and Inclusion Network has been created to guide CATSA in the identification and elimination of barriers to equal employment and to continue to foster an inclusive and diverse culture.

Gender-Based Analysis Plus

A Gender-Based Analysis Plus assessment was completed to examine any differential impacts on men and women, as well as any potential opportunities to advance gender-based objectives in both the air traveller base, CATSA workforce and screening officers who are employed by CATSA's screening contractors. The results are as follows:

The security screening procedures followed by CATSA have been designed to treat men and women travellers equally. At the same time, however, CATSA is sensitive to the different impacts that screening procedures can have on men, women and the transgender community, and it takes steps to ensure all travellers feel respected and safe throughout the screening process. This includes ensuring same-sex physical searches and providing accommodation when requested.

As reported in CATSA's 2017 Employment Equity report, women represented 44.3% of CATSA's indeterminate workforce, up from 43.5% in 2016. They represented 65% of all newly hired indeterminate employees. While women are still underrepresented in the CATSA workforce, continuous recruitment and retention efforts had a significant effect to close the overall gap.

CATSA screening contractors continue to maintain virtual gender parity in its workforce, with 51% of screening officers across Canada being female. As service levels evolve, CATSA will

continue to work with its screening contractors to maintain equal opportunity and to build a diverse screening workforce that reflects the communities it serves.

Indigenous Relations

CATSA has embarked on a multi-year engagement with Indigenous Elders to learn more about how aviation security screening can affect sacred and spiritual items. This engagement will inform changes to CATSA's screening procedures for sacred items generally, and include training on Indigenous history for all CATSA personnel and screening officers. The focus of this review and training is to enhance the service offered to Indigenous travellers and to build an understanding and appreciation of diverse Indigenous backgrounds, experiences, cultural values and traditions.

Sustainable Development and Green Government

CATSA's policies, programs and projects are subject to the provisions of the *Environmental Assessment Act*, now being replaced by the *Impact Assessment Act*. While recent mandatory scans of CATSA projects have concluded that there are no appreciable environmental impacts that warrant in-depth environmental assessments, CATSA will continue to scan future initiatives to determine if they have anticipated impacts that require further assessment and mitigation. Beyond that, CATSA maintains high standards for its own sustainable practices, including such measures as: safe and responsible disposal of equipment at the end of its economic life; and continual innovation to support safe and efficient personal and business travel and the recreation and tourism sectors of the economy.

GLOSSARY OF ACRONYMS AND TERMS

Airport Authority	An operator of an airport listed in the <i>Airport Transfer (Miscellaneous Matters) Act</i>
ASSA	Airport Screening Services Agreements
BPSS	Boarding Pass Security System—a stand-alone technology that scans boarding passes to validate the information embedded in the bar code
Class I Airports	Refers to the airports listed under Schedule 1 of the Canadian Aviation Security Regulation, 2012. These airports have an annual passenger traffic in excess of 1 million people or have a high threat/risk potential
Class II Airports	Airports listed under Schedule 2 of the Canadian Aviation Security Regulation, 2012. These airports have one or more of the following characteristics: annual passenger traffic in excess of 200,000 people; a medium threat/risk potential; is the primary airport of a provincial/territorial capital; or is a transit stop for international flights bound for Class I or II airports
Class III Airports	Airports listed under Schedule 3 of the Canadian Aviation Security Regulation, 2012. These airports have scheduled commercial operations, but with a lower traffic volume and lower level of risk than the other classes of airports
FBS	Full Body Scanner
HBS	Hold Baggage Screening—the screening of checked baggage using EDS equipment
NPS	Non-Passenger Screening—the screening of selected non-passengers accessing restricted areas of airports. Subject to certain exceptions, everyone who has access to restricted/sterile areas in airports is subject to screening
PBS	Pre-Board Screening—the screening of passengers, their belongings and carry-on baggage
RAIC	Restricted Area Identity Card—an identification card issued to all employees authorized to enter the restricted areas of Class I and II airports
SOPs	Standard Operating Procedures
TIPS	Threat Image Projection System
WTIM	Wait Time Impact Model
WTSL	Wait Time Service Level
WTSL of 85/15	A Wait Time Service Level target where, on average, 85% of all passengers wait 15 minutes or less to be screened at all Class I airports on an annual basis